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Annual Report

NUDULAMA MINES LIMITED



For the Year Ended December 31st, 1965

**AUTHORIZED
CAPITALIZATION**

4,000,000 shares without nominal or par value.

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - TORONTO, ONTARIO
D. W. GORDON - - - - - TORONTO, ONTARIO
GORDON L. MOORE - - - - - ISLINGTON, ONTARIO
PHILIP E. BOYLEN - - - - - TORONTO, ONTARIO
CHARLES B. BRANNIGAN - - - - - TORONTO, ONTARIO

OFFICERS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - *President*
D. W. GORDON - - - - - *Vice-President*
GORDON L. MOORE - - - - - *Secretary-Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant-Treasurer*

**TRANSFER AGENT
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA,
366 Bay Street,
Toronto, Ontario

AUDITORS

SNYDER, CRAIG & CO.,
330 Bay Street,
Toronto, Ontario

HEAD OFFICE

Suite 908, 330 Bay Street,
Toronto, Ontario

NUDULAMA MINES LIMITED

Directors' Report

To the Shareholders:

The Financial Statements of the Company for the fiscal year ended December 31st, 1965, and the Report of the Auditors are submitted for your consideration.

The following changes have taken place in the items on the Company's Balance Sheet in comparison with that of the previous year.

INVESTMENTS:

The cost of investments in shares of other mining companies having a quoted market value has decreased by \$21,860.67:

During 1965 the Company discharged its advance from New Harricana Mines Limited in the amount of \$34,573.22 by the transfer and delivery of 11,335 shares of the capital stock of Key Anacon Mines Limited valued at \$3.05 per share, being the closing bid price for such shares at the close of business on September 30th, 1965. The cost of the aforesaid 11,335 shares to the Company amounted to \$21,860.67.

FIXED ASSETS:

Increased by \$1,579.66:

The Company acquired during November, 1965, a group of 36 unpatented mining claims located in Rykert Township in the Kapuskasing area of Ontario for staking costs amounting to \$1,579.66.

Initial exploratory work was carried out, and the Company proposes to further investigate the area covered by this group of claims during 1966.

DEFERRED EXPENDITURES:

Increased by \$5,185.68:

The increase reflected in this item of the Balance Sheet represents the 1965 cost of exploration and development expenses carried out, less the cost of development expenses on mining claims abandoned and administrative expenses written off to the Company's Deficit account.

CURRENT AND MISCELLANEOUS LIABILITIES:

Decreased by \$21,545.30:

The advance from New Harricana Mines Limited amounting to \$34,573.22, as indicated on the Company's Balance Sheet as at December 31st, 1964, was discharged by the transfer and delivery to that Company of 11,335 shares of Key Anacon Mines Limited, valued at \$3.05 per share. Miscellaneous Accounts Payable and accrued charges increased by \$13,027.92.

DEFICIT ACCOUNT:

Decreased by \$6,363.22:

During 1965 the Company acquired a group of 16 mining claims in Currie Township, Quebec, for staking costs of \$1,075.07.

The geophysical survey and diamond drilling carried out on this area, and contiguous holdings of various associated companies during the winter months of 1965, failed to disclose ore values in any of the anomalies that were tested. As a result of the inconclusive results the claims were allowed to lapse and were abandoned at year end. A total of \$5,274.26 was expended by the Company for exploration work carried out on this group of claims.

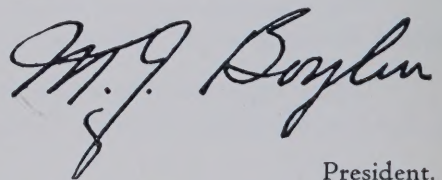
A total of \$12,712.55 was credited to the Deficit account, representing the profit on disposal by the Company of its shares of Key Anacon Mines Limited to New Harricana Mines Limited, in settlement of its advance, and the application of cost of 16 claims and exploration work thereon results in the net decrease of \$6,363.22.

GENERAL:

Subsequent to December 31st, 1965, the Company exercised its rights as offered to the Shareholders of Key Anacon Mines Limited and purchased an additional 5,861 shares of that Company for \$14,652.50, being on the basis of one share of Key Anacon Mines Limited at the price of \$2.50 per share for every 14 shares held. The Company now holds a total of 87,926 shares of Key Anacon Mines Limited in its investment portfolio at a cost of \$100,837.70.

An aerial survey was carried out during the latter part of 1965 over the Portage River area of the Province of New Brunswick and, subsequent to December 31st, 1965, the Directors of your Company arranged to acquire a group of 25 mining claims, for staking costs amounting to \$1,602.50, situated in the Parish of Bathurst, County of Gloucester, in the Province of New Brunswick. The Company proposes to carry out exploratory work on this group of claims during 1966, consisting of surface exploration and, diamond drilling if warranted.

Respectfully submitted on behalf of the Board of Directors,

A handwritten signature in cursive script, reading "M.J. Boylan". The signature is written in dark ink and is positioned above the title "President.".

President.

DATED at Toronto, Ontario,
this 3rd day of March, 1966.

330 BAY STREET

TORONTO
CANADA

To the Shareholders of

NUDULAMA MINES LIMITED,

Toronto, Ontario.

We have examined the Balance Sheet of Nudulama Mines Limited as at December 31st, 1965, and the Statement of Mine Development and Administrative Expenses for the year ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We are unable to express an opinion on the value of the buildings and equipment shown on the Balance Sheet at cost. No provision for depreciation or obsolescence has been made in the accounts for these assets which were acquired during the years 1948, 1949 and 1950.

Subject to the above limitation, in our opinion, the attached Balance Sheet and Statement of Mine Development and Administrative Expenses present fairly the financial position of the company as at December 31st, 1965, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Snyder Craig & Co.

Chartered Accountants.

January 18th, 1966.

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(Incorporated und

Balance Sheet -

ASSETS

Current

Cash	\$	\$
		1.23

Investments

Shares of other mining companies having a quoted market value, at cost (Note 1)		
(Quoted market value \$467,081.35)	339,045.74	
Shares of other mining companies, at cost	8,700.00	347,745.74

Fixed

In the Province of Ontario:

15 Patented mining claims in Leeson Township, Missanabi Area, Sudbury Mining Division, at cost	184,421.77	
Buildings, at cost	50,830.10	
Equipment, at cost	35,301.53	
	270,553.40	
36 Claims in Rykert Township, at cost	1,579.66	272,133.06

Acquisition of claims (Note 2)

Deferred Expenditure

Mine development and administrative expenses		
Balance, January 1st, 1965	595,755.75	
Add: Expenses for the year	5,185.68	
		600,941.43

1,220,821.46

NOTES The following transactions occurred subsequent to December 31st, 1965:

- 5,861 shares of Key Anacon Mines Limited were acquired for \$14,652.50 pursuant to an offering of rights to shareholders of that company.
- 25 mining claims in the Parish of Bathurst, County of Gloucester, New Brunswick, were acquired for staking costs of \$1,602.50.

MINES LIMITED

(Incorporated under the Laws of Ontario)

December 31st, 1965

LIABILITIES			
Current	\$	\$	\$
Accounts payable and accrued liabilities			13,377.92

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

4,000,000 Shares of no par value

Issued:

3,100,000 Shares 2,397,755.75

Deficit

Balance, January 1st, 1965	1,196,675.43		
Add: Mining claims abandoned	1,075.07		
Development expenses on mining claims abandoned	5,274.26		
	<u>1,203,024.76</u>		
Deduct: Profit on disposal of investments	12,712.55		
	<u>1,190,312.21</u>		
Balance, December 31st, 1965		<u>1,190,312.21</u>	1,207,443.54

1,220,821.46

Approved on behalf of the Board.

M. J. BOYLEN, Director.

G. L. MOORE, Director.

Submitted with our Report to the Shareholders dated January 18th, 1966.

SNYDER, CRAIG & CO.
Chartered Accountants.

NUDULAMA MINES LIMITED

Statement of Mine Development and Administrative Expenses

For the year ended December 31st, 1965

Mine Development Expenses

	\$	\$
Diamond drilling	1,964.37	
Geophysical surveys	536.00	
Line cutting	465.28	
Plant maintenance	82.99	
Surface exploration	2,877.86	
Taxes	669.21	
	<u>6,595.71</u>	
Less: Development expenses on claims abandoned and written off to Deficit	5,274.26	1,321.45

Administrative Expenses

Corporation taxes	100.00	
Filing fees	10.00	
General expense	37.40	
Head office administration	1,800.00	
Legal and audit	225.00	
Office supplies	243.70	
Postage	255.90	
Transfer agent and registrar fees	780.07	
Reports to shareholders	412.16	3,864.23
	<u>5,185.68</u>	
Total Mine Development and Administrative Expenses		<u>5,185.68</u>